



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 3171

DATE FILMED 2/7/91 CAMERA NO. 4

CAMERAMAN AS

91040323458

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 21 June 1990

ANALYST: Linda Tanqney

I. COMMITTEE: Laughlin for Congress-88
(C00198960)
Everet Kennemer III
P.O. Box 270
Bay City, TX 77404

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(6)
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File 48 Hour Notifications

The Laughlin for Congress-88 committee ("the Committee") may have failed to file six (6) forty-eight hour notifications ("48 Hour Notices") for contributions totalling \$19,350.

The candidate was a participant in the Primary Election held on March 13, 1990. Prior notice was sent to the Committee on February 5, 1990. This Notice includes a section titled "Last Minute Contributions." This section states "Committees must also file special notices on contributions of \$1,000 or more, received during the following periods: For candidates in the Primary: 2/22/90 through 3/10/90; For candidates in the Run-off: 3/22/90 through 4/7/90. This notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt" (Attachment 2). The Committee was required to file 48 Hour Notices for contributions of \$1,000 or more received from February 22, 1990 through March 10, 1990. Contributions received prior to the 1990 Primary Election and disclosed on Schedule A of the 1990 April Quarterly Report indicate that the Committee may have failed to file six (6) 48 Hour Notices for contributions totalling \$19,350 (Attachments 3, 4, 5 and 6). The following is a list of the contributions disclosed on Schedule A of the Committee's 1990 April Quarterly Report for which no 48 Hour Notices were filed.

91040323459

LAUGHLIN FOR CONGRESS-88
REPORTS ANALYSIS OGC REFERRAL
PAGE 2

<u>Name of Contributor (as reported by the Committee)</u>	<u>Date</u>	<u>Amount</u>
American Medical PAC	3/9/90	\$ 3,000
CRPPA Federal PAC	3/9/90	1,000
National Education Assn. PAC	3/9/90	4,350
Realtors Political Action Cmte	3/2/90	5,000
Texas Rice PAC	3/9/90	1,000
UAW V CAP	3/9/90	<u>5,000</u>

Total Amount: \$19,350

On May 22, 1990, a Request for Additional Information was sent to the Committee on an informational basis regarding their 1990 April Quarterly Report. The Notice stated the Committee may have failed to file one or more of the 48 Hour Notices required for "last minute contributions" of \$1,000 or more. The Notice stated that although the Commission may take legal steps, any response the Committee may wish to make would be taken into consideration (Attachment 7).

On June 11, 1990, a written response was received from the Committee which stated that because they were unopposed they thought they were not required to file 48 Hour Notices. The response stated that they would make sure this would not happen again (Attachment 8).

To date, no other response has been received.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

21040323460

FEDERAL ELECTION COMMISSION
1989-1990

DATE 18JUN90

CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	RECEIPTS		DISBURSEMENTS		# OF PAGES	MICROFILM LOCATION TYPE OF FILER
	OFFICE SOUGHT/ PARTY	PRIMARY GENERAL	PRIMARY GENERAL	COVERAGE DATES		

LAUGHLIN, GREGORY HAINES	HOUSE 14 DEMOCRATIC PARTY		TEXAS	1990 ELECTION	ID# H6TX14033	
1. STATEMENT OF CANDIDATE						
1990 DISAVOWAL NOTICE				20MAR90	1	90FEC/631/2717
STATEMENT OF CANDIDATE				6APR90	1	90HSE/393/1598
2. PRINCIPAL CAMPAIGN COMMITTEE						

LAUGHLIN FOR CONGRESS - 88

ID #C00198960 HOUSE

1989 MID-YEAR REPORT		206,195		229,066	1JAN89 -30JUN89	58	89HSE/382/4846
MID-YEAR REPORT - AMENDMENT		206,195		229,066	1JAN89 -30JUN89	17	89HSE/385/3902
REQUEST FOR ADDITIONAL INFORMATION					1JAN89 -30JUN89	8	89FEC/611/1350
YEAR-END		151,592		58,357	1JUL89 -31DEC89	52	90HSE/389/3133
YEAR-END - AMENDMENT		-		-	1JUL89 -31DEC89	1	90HSE/393/1999
YEAR-END - AMENDMENT		-		-	1JUL89 -31DEC89	3	90HSE/397/1649
REQUEST FOR ADDITIONAL INFORMATION					1JUL89 -31DEC89	4	90FEC/631/2769
REQUEST FOR ADDITIONAL INFORMATION 2ND					1JUL89 -31DEC89	6	90FEC/634/2235
1990 PRE-PRIMARY		4,350		6,780	1JAN90 -21FEB90	9	90HSE/392/1932
PRE-PRIMARY - AMENDMENT		-		-	1JAN90 -21FEB90	1	90HSE/394/1415
REQUEST FOR ADDITIONAL INFORMATION					1JAN90 -21FEB90	1	90FEC/632/1316
APRIL QUARTERLY		65,370		3,832	22FEB90 -31MAR90	15	90HSE/394/3299
APRIL QUARTERLY - AMENDMENT		-		-	22FEB90 -31MAR90	2	90HSE/399/1586
REQUEST FOR ADDITIONAL INFORMATION					22FEB90 -31MAR90	3	90FEC/641/1180
TOTAL		69,720	357,787	10,612	287,423	180	TOTAL PAGES

3. AUTHORIZED COMMITTEES

4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN

ALL REPORTS HAVE BEEN REVIEWED

ENDING CASH-ON-HAND AS OF 3/31/90: \$153,437OUTSTANDING DEBTS AS OF 3/31/90: \$25,800

REPORT NOTICE

ATTACHMENT 2
Page 1 of 2

FEDERAL ELECTION COMMISSION

TEXAS

February 5, 1990

FOR COMMITTEES ONLY INVOLVED IN THE PRIMARY (03/13/90):

REPORT	REPORTING PERIOD1/	REG./CERT. MAILING DATE2/	FILING DATE
Pre-Primary	01/01/90- 02/21/90	02/26/90	03/01/90
April Quarterly	02/22/90- 03/31/90	04/15/90	04/15/90

FOR COMMITTEES INVOLVED IN BOTH THE PRIMARY (03/13) AND RUNOFF (04/10):

REPORT	REPORTING PERIOD1/	REG./CERT. MAILING DATE2/	FILING DATE
Pre-Primary	01/01/90- 02/21/90	02/26/90	03/01/90
Pre-Runoff	02/22/90- 03/21/90	03/26/90	03/29/90
April Quarterly	03/22/90- 03/31/90	04/15/90	04/15/90

WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek nomination in the March 13, 1990, Texas Primary and, if held, the April 10, 1990 Runoff.

WHAT MUST BE REPORTED

All financial activity that occurred during the reporting period (or before, if not previously reported).

REPORTING FORMS

Candidate committees use Form 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on Form 32.

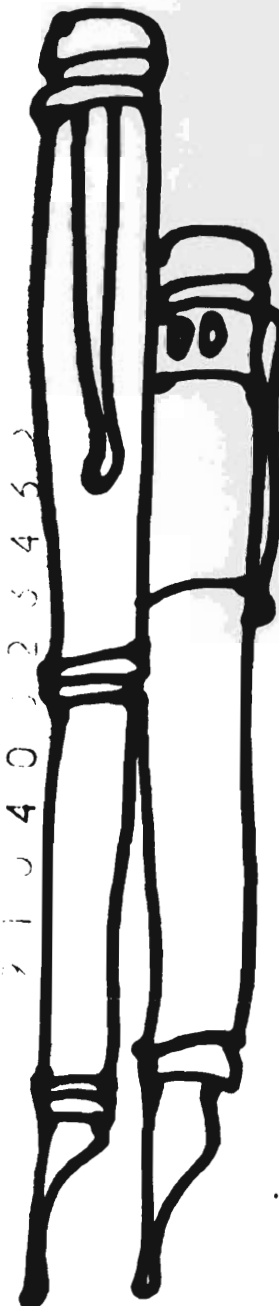
WHERE TO FILE

Consult the instructions on the back of the Form 3 Summary Page. Note state filing requirements also.

1/The period begins with the close of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.

2/Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

FOR INFORMATION, Call: 202/376-3120 or 800/424-9530
(over)



TEXAS

LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

LAST-MINUTE CONTRIBUTIONS

Committees must also file special notices on contributions of \$1,000 or more, received during the following periods:

For candidates involved in the Primary: 02/22/90 through 03/10/90

For candidates involved in the Runoff: 03/22/90 through 04/07/90

The notice must reach the appropriate federal and state offices within 48 hours of the committee's receipt.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

21040323463

LT

DATE 04/03/90 Loughlin for Congress
Political Committee Contribution Report

Current Campaign 01-01-90 THRU 03-31-90
03-22-90 THRU 03-31-90

PAGE 1 of 6
LINE NUMBER 11(c)

NAME	ADDRESS	PCC Id. No.	RECEIPT THIS RPT	RECEIPT DATE	ELLECTION TYPE
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ADSF Civic Action Committee

500.00 03/13/90 Primary

1333 New Hampshire Ave. N.W.

Suite 400

Washington

DC 20036

AGGREGATE YTD: 500.00

ATLA PAC

5,000.00 03/13/90 Primary

1050 31st Street, N.W.

Washington

DC 20007

AGGREGATE YTD: 5,000.00

American Airlines PAC

1,000.00 03/13/90 Primary

1101 17th Street, N.W.

Washington

DC 20036

AGGREGATE YTD: 1,000.00

American Federation of Teacher
Comm. of Political Education

2,500.00 03/31/90 General

555 New Jersey Avenue N.W.

Washington

DC 20001

AGGREGATE YTD: 2,500.00

American Medical PAC

3,000.00 03/09/90 Primary

1101 Vermont Avenue, N.W.

Washington

DC 20005

AGGREGATE YTD: 3,000.00

American Waterways Operators -
PAC

250.00 03/23/90 Primary

1600 Wilson Blvd., Suite 1000

Arlington

VA 22209

AGGREGATE YTD: 250.00

Andrews, Michael A.
For Congress Committee
1200 Smith, Suite 3600

1,000.00 03/31/90 General

Houston

TX 77002

AGGREGATE YTD: 1,000.00

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

DATE 04/02/90 Laughlin for Congress
Political Committee Contribution Report

Current Campaign 01-01-90 THRU 03-31-90
03-02-90 THRU 03-31-90

PAGE 2 of 6
LINE NUMBER 11(c)

NAME	ADDRESS	PDC ID. No.	RECEIPT# THIS RPT	RECEIPT# DATE	ELLECTION TYPE
BPA - PAC			200.00	03/31/90	General
The BP America PAC					

AGGREGATE YTD: 200.00

Build Political Action Comm.
of the Natl. Asan. Homebuilder
National Housing Center
19th & M Sts., N.W.
Washington DC 20005 AGGREGATE YTD: 2,500.00

2,500.00 03/13/90 Primary

CRPPA Federal PAC 1,000.00 03/09/90 Primary

409 Belle Chasse Hwy. S.

Belle Chasse LA 70037 AGGREGATE YTD: 1,000.00

Capital Political Action Comm.

350.00 03/09/90 Primary

P. O. Box 65331

Washington DC 20035 AGGREGATE YTD: 350.00

Coastal Employee Action Fund

1,000.00 03/23/90 General

Nine Greenway Plaza

Houston TX 77046 AGGREGATE YTD: 1,000.00

Committee on Letter Carriers

3,000.00 03/13/90 Primary

Political Education
100 Indiana Avenue, N.W.

Washington DC 20001 AGGREGATE YTD: 3,000.00

Dealers Election Action Comm.

1,000.00 03/13/90 Primary

of the Natl. Auto Dealers Ass.
8400 Westpark Drive

McLean VA 22102 AGGREGATE YTD: 1,000.00

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DATE 04/05/90 Laughlin for Congress
Political Committee Contribution Report

Current Campaign 01-01-90 THRU 03-31-90
03-02-90 THRU 03-31-90

PAGE 3 of 6
LINE NUMBER 11(c)

NAME	ADDRESS	PCC ID. No.	DESCRIPT	DESCRIPT	ELECTION
			THIS QTR	DATE	TYPE
SWPAC, Central Region	Box Chemical		1,000.00	03/13/90	Primary
	3401 Broadport Blvd.				
Broadport		TX 77341	AGGREGATE YTD: 1,000.00		

OTE PAC			1,000.00	03/13/90	Primary
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AGGREGATE YTD: 1,000.00

Hollywood Marine, PAC			5,000.00	03/13/90	Primary
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P. O. Box 1343					
Houston		TX 77251	AGGREGATE YTD: 5,000.00		

Houston Industries Political Action Committee			1,000.00	03/13/90	Primary
P.O. Box 1700					

Houston		TX 77001	AGGREGATE YTD: 1,000.00		
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International Council of Shopping Centers, Inc. - PAC			500.00	03/31/90	General
1199 North Fairfax Street					
Suite 204					
Alexandria		VA 22314	AGGREGATE YTD: 500.00		

Mitchell Energy & Development Political Action Committee			500.00	03/13/90	Primary
P.O. Box 4000					

The Woodlands		TX 77380	AGGREGATE YTD: 500.00		
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National Education Assn. PAC			4,350.00	03/09/90	Primary
1201 16th Street, N.W.					
Washington		DC 20036	AGGREGATE YTD: 4,350.00		

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DATE 04/03/90 Laughlin for Congress
Political Committee Contribution Report

Current Campaign 01-01-90 THRU 03-31-90
03-28-90 THRU 03-31-90

PAGE 4 of 6
LINE NUMBER 11(c)

NAME	ADDRESS	FEC Id. No.	RECEIPT THIS RPT	RECEIPT DATE	ELECTION TYPE
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DJR Political Action Committee

500.00 03/13/90 Primary

Post Office Box 718

Winston-Salem NC 27102 AGGREGATE YTD: 500.00

Realtors Political Action Comm

5,000.00 03/02/90 Primary 1990

430 N. Michigan Avenue

Chicago IL 60611 AGGREGATE YTD: 5,000.00

Responsible Citizens Political
League

500.00 03/31/90 General

3 Research Place

Rockville MD 20850 AGGREGATE YTD: 500.00

Texas Rice PAC

1,000.00 03/09/90 Primary

c/o The First National Bank
of Eagle Lake

P. O. Drawer 247

Eagle Lake TX 77434 AGGREGATE YTD: 1,000.00

Tobacco Institute

500.00 03/23/90 Primary

Political Action Committee

1875 Eye Street, N.W.

Suite 800

Washington DC 20006 AGGREGATE YTD: 500.00

U. A. Political Education Comm

1,000.00 03/13/90 Primary

901 Massachusetts Ave. N.W.

Washington DC 20001 AGGREGATE YTD: 1,000.00

UAW V Cap

5,000.00 03/09/90 Primary

8000 E. Jefferson

Detroit MI 48214 AGGREGATE YTD: 5,000.00

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20541

80-2

MAY 22 1990

Everet Kennemer III, Treasurer
Laughlin for Congress
P.O. Box 270
Bay City, TX 77404

Identification Number: C00198960

Reference: April Quarterly Report (2/22/90-3/31/90)

Dear Mr. Kennemer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limit set forth in the Act. No political committee other than a qualified multicandidate committee may make contributions to a candidate for federal office in excess of \$1,000 per election. The Hollywood Marine PAC did not meet the requirements for qualified multicandidate status as of the date the contribution(s) was made to your committee. The term "contribution" includes any gift, subscription, loan, advance or deposit of money and anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limit, you should either refund to the donor(s) the amount in excess of \$1,000 or get the donor(s) to redesignate the contribution(s) in writing. All refunds and redesignations must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters redesignating the contributions in question may be used to respond to this

2 p 3 4 5 12 13 14 15 80

letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations are reported as memo entries on Schedule A of this report covering the period in which the authorization for the redesignation is received. (11 CFR §104.8(d)(2) and (4))

Although the Commission may take further legal steps, prompt action by you to refund or seek redesignation of the excessive amount will be taken into consideration.

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Primary Report. A principal campaign committee must notify the commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. although the commission may take legal action, any response you wish to make concerning this matter will be taken into consideration. (11 cfr §104.5(f))

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Linda Tangney
Linda Tangney
Reports Analyst
Reports Analysis Division

29 24305312131489

REGULAR MAIL

JUN 07 1990

UNIT 8 DE LON
RE: HON. G. STEPHEN HANES

June 6, 1990

H5991

Linda Tangney
Reports Analysis Division
Federal Election Commission
Washington, D.C. 20463

RE: Greg Laughlin Campaign
April Quarterly Report (2/22/90 - 2/21/90)

Dear Ms. Tangney:

This is in response to the 48 hour notice regarding "last minute" contributions. We thought that since there was no opponent that we did not have to report. We are now aware of the proper accounting procedures and will make sure this does not happen again.

If you need more information, please let me know.

Sincerely,


Everett Kennemer, III
Treasurer

90 NOV -2 PM 4:48

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral #90L-26
STAFF MEMBER: Tamara Kapper

SOURCE: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS: Laughlin for Congress-88 and Everet Kennemer III,
as treasurer

RELEVANT STATUTES: 2 U.S.C. § 434(a)(6)
11 C.F.R. § 104.5(f)

INTERNAL REPORTS CHECKED: Referral Material
Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Office of the General Counsel received a referral from the Reports Analysis Division on June 22, 1990. Attachment 1. The basis of the attached referral is the failure of Laughlin for Congress-88 and Everet Kennemer III, as treasurer (the "Committee"), to timely file two (2) forty-eight hour notifications ("48 Hour Notices") for six (6) contributions totaling \$19,350. The candidate, Congressman Gregory H. Laughlin, ran unopposed in the March 13, 1990 Primary Election for the U.S. House of Representatives from the 14th Congressional District of Texas.

II. FACTUAL AND LEGAL ANALYSIS

For the Factual and Legal Analysis, see Attachment 2.

91040323471

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

21040323472

IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Laughlin for Congress-88 and Everet Kennemer III, as treasurer, violated 2 U.S.C. § 434(a)(6), and enter into conciliation prior to probable cause to believe.
3. Approve the attached Factual and Legal Analysis and the Proposed Conciliation Agreement.
4. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

Date

11/2/90

BY:


Lois G. Lerner

Associate General Counsel

Attachments:

1. Referral Materials
2. Factual and Legal Analysis
3. Proposed Conciliation Agreement

21040323473

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Laughlin for Congress-88 and
Everet Kennemer III, as treasurer.)

RAD Referral #90L-26

(*mark*
3171)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 13, 1990, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #90L-26:

1. Open a MUR.
2. Find reason to believe that Laughlin for Congress-88 and Everet Kennemer III, as treasurer, violated 2 U.S.C. § 434(a) (6), and enter into conciliation prior to probable cause to believe.
3. Approve the Factual and Legal Analysis and the Proposed Conciliation Agreement, as recommended in the General Counsel's Report dated November 2, 1990.
4. Approve the appropriate letter, as recommended in the General Counsel's Report dated November 2, 1990.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

11/13/90
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:
Circulated to the Commission:
Deadline for vote:

Fri., November 2, 1990 4:48 p.m.
Monday, November 5, 1990 11:00 a.m.
Tues., November 13, 1990 4:00 p.m.

21040323474



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 27, 1990

Everet Kennemer III, Treasurer
Laughlin for Congress-88
P.O. Box 504
West Columbia, TX 77486

RE: MUR 3171
Laughlin for Congress-88 and
Everet Kennemer III, as treasurer

Dear Mr. Kennemer

On November 13, 1990 the Federal Election Commission found that there is reason to believe Laughlin for Congress-88 (the "Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6), a provision of the Federal Election Campaign Act of 1971, as amended (the "Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

21040323475

Mr. Kennemer
Page 2

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

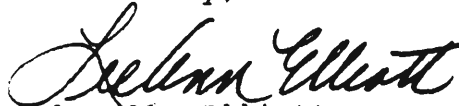
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

91040323476

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Laughlin for Congress-88
and Everet Kennemer III,
as treasurer

MUR: 3171

91040323477

The Federal Election Campaign Act of 1971, as amended (the "Act"), requires principal campaign committees of candidates for federal office to notify either the Clerk of the House, the Secretary of the U.S. Senate, or the Commission, as appropriate, and the Secretary of the State, in writing, of each contribution totaling \$1,000 or more received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires this notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought by the candidate, identification of the contributor, the date of receipt and the amount of the contribution. Id. The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

According to its Statement of Organization filed with the Commission, Laughlin for Congress-88 is the authorized principal campaign committee of Gregory Haines Laughlin. Everet Kennemer III is the treasurer of Laughlin for Congress-88. Mr. Laughlin was a candidate for the U.S. House of Representatives from the 14th District of the state of Texas in the March 13, 1990 Primary Election.

The Primary Election in the state of Texas was held on March 13, 1990. Pursuant to 2 U.S.C. § 434(a)(6)(A), the Committee was required to notify the Commission, in writing, of all contributions of \$1,000 or more received from February 22, 1990 to March 10, 1990 within 48 hours of their receipt.

On February 5, 1990 the Committee was reminded by the Commission in writing, that the receipt of contributions of \$1,000 or more must be reported within 48 hours if received during the period of February 22, 1990 through March 10, 1990. The notice further stated that these notifications must reach the appropriate federal and state offices within 48 hours of the committee's receipt.

The Committee received six (6) contributions during the period prior to the Primary Election that required written notification to the Commission. The contributions were received as follows:

<u>Name of Contributor (as Reported by the Committee)</u>	<u>Date of Receipt</u>	<u>Amount</u>
Realtors Political Action Comm	3/2/90	\$5,000
American Medical PAC	3/9/90	3,000
CRPPA Federal PAC	3/9/90	1,000
National Education Assn. PAC	3/9/90	4,350
Texas Rice PAC	3/9/90	1,000
UAW V CAP	3/9/90	<u>5,000</u>
	Total	\$19,350

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None of these contributions were reported to the Commission until the Committee filed its 1990 April Quarterly Report, which was not received by the Commission until April 12, 1990.

It thus appears that the Committee may have violated 2 U.S.C. § 434(a)(6) by failing to disclose six (6) contributions of \$1,000 or more before a primary election within 48 hours of their receipt. Therefore, there is reason to believe that Laughlin for Congress-88 and Everet Kennemer III, as treasurer, violated 2 U.S.C. § 434(a)(6).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 19, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Everet Kennemer III, Treasurer
Laughlin for Congress-88
P.O. Box 504
West Columbia, TX 77486

RE: MUR 3171
Laughlin for Congress-88 and
Everet Kennemer III, as
treasurer

Dear Mr. Kennemer:

On November 27, 1990, you were notified that, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded, in writing, to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

91 JAN -3 AM 10:37

December 20, 1990

Lawrence M. Noble, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Attention: Tamara Kapper

Re: MUR 3171 - Laughlin for Congress - 88 and
Everet Kennemer, III, as Treasurer

Dear Mr. Noble:

This letter is written in response to the Commission's finding of reason to believe that the Laughlin for Congress - 88 (the "Committee") and Everet Kennemer, III, as Treasurer, (collectively "Respondents") violated 2 U.S.C. § 434(a)(6) of the Federal Election Campaign Act of 1971, as amended (the "Act"). The Committee signed and delivered to the Commission on December 10, 1990, the Conciliation Agreement enclosed with the Commission's letter of November 27, 1990. In addition, the Committee included a check for the full amount of the penalty imposed by the Commission.

The Respondents take this opportunity to explain the Committee's inadvertent bookkeeping error in failing to file 48-hour reports prior to the March 13, 1990 primary election. The Committee received six contributions totalling \$19,350 during the period prior to the primary election. Congressman Laughlin, however, had no opponent in the primary election. Therefore, it was not at all clear to the Committee that it was required to file 48-hour reports. Mr. Laughlin was already the uncontested nominee of the Democratic party for the Fourteenth Congressional District.

The Federal Election Commission's Campaign Guide (July 1988) for Congressional Candidates and Committee states: "A principal campaign committee must file special

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OFFICE SERVICES BRANCH

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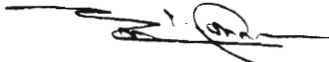
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notices on contributions of \$1,000 or more received after the 20th day, but more than 48 hours, before an election in which the candidate is running." (emphasis added) page 24. A footnote appearing on this same page indicates that the Commission has ruled that pre- and post-election reports must be filed even if the candidate is unopposed or if the election is not held. There is, however, no similar footnote to indicate that the same or a similar rule applies to 48-hour reports. The Committee did not understand that these reports were due even though Congressman Laughlin was unopposed in the election.

This understanding is not inconsistent with the public policy underlying the last minute reporting requirements. Since the purpose of these reports is to provide complete and up-to-date disclosure to the public prior to an election, it is not entirely clear what the benefit to the public is of disclosing contributions to an unopposed candidate. This information does not provide additional guidance to the voters since, in any event, they have no choice as to the candidate for whom they vote.

While there may have been an inadvertent technical error by the Committee in not reporting these six contributions prior to the primary election, the Committee has steadfastly observed and complied with the reporting requirements of the Act. Further, we have taken steps to alert all compliance staff about the 48-hour reporting requirement for future elections.

Sincerely yours,



Everet Kennemer, III
Treasurer

Copy: Congressman Greg Laughlin

91 JAN -9 PM 4:47

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
) MUR 3171
Laughlin for Congress-88 and)
Everet Kennemer III, as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached for Commission approval is a conciliation agreement signed by Everet Kennemer III, treasurer of Laughlin for Congress-88. The attached agreement is the original agreement previously approved by the Commission. Along with the signed conciliation agreement, respondents have submitted a check in payment of the civil penalty.

II. RECOMMENDATIONS

1. Approve the conciliation agreement with Laughlin for Congress-88 and Everet Kennemer III, as treasurer.
2. Approve the appropriate letter.
3. Close the file in this matter.

Lawrence M. Noble
General Counsel

Date 1/8/91

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Civil Penalty Check

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3171
Laughlin for Congress-88 and)
Everet Kennemer III, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 14, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3171:

1. Approve the conciliation agreement with Laughlin for Congress-88 and Everett Kennemer III, as treasurer, as recommended in the General Counsel's Report dated January 8, 1991.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated January 8, 1991.
3. Close the file in this matter.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Jan. 14, 1991
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Wed., January 9, 1991 4:47 p.m.
Circulated to the Commission: Thurs., January 10, 1991 11:00 a.m.
Deadline for vote: Mon., January 14, 1991 11:00 a.m.

dh

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 18, 1991

Everet Kennemer III, Treasurer
Laughlin for Congress-88
P.O. Box 504
West Columbia, TX 77486

RE: MUR 3171
Laughlin for Congress-88
and Everet Kennemer III, as
treasurer

Dear Mr. Kennemer:

On January 14, 1991, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of a violation of 2 U.S.C. § 434(a)(6), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

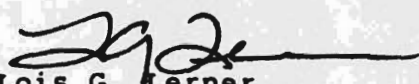
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Everet Kennemer III
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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90 DEC 17 PM 12:23

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3171
Laughlin for Congress-88 and)
Everet Kennemer III, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Laughlin for Congress-88 and Everet Kennemer III, as treasurer ("Respondents"), violated 2 U.S.C. § 434(a)(6).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Gregory H. Laughlin was a candidate for the U.S. House of Representatives in the March 13, 1990 Primary Election

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from the 14th Congressional District of Texas. Laughlin for Congress-88 is the authorized principal campaign committee for Mr. Laughlin's 1990 congressional campaign.

2. Everet Kennemer III is the treasurer of Laughlin for Congress-88.

3. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires principal campaign committees of candidates for federal office to notify either the Clerk of the House, the Secretary of the U.S. Senate, or the Commission, as appropriate, and the Secretary of State, in writing, of any contribution totaling \$1,000 or more received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires this notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and the office sought by the candidate, identification of the contributor, the date of receipt and the amount of the contribution. Id. The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

4. Pursuant to 2 U.S.C. § 431(8)(a), a "contribution" is defined as any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

5. The Act defines a "person" as including an individual, partnership, committee, association, corporation,

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labor organization, or any other organization or group of persons.
2 U.S.C. § 431(11).

6. Pursuant to 2 U.S.C. § 431(13), the "identification" of an individual includes disclosing the name, mailing address, and occupation of each individual, as well as the name of their employer; and in the case of any other person, the full name and mailing address.

7. Respondents received six (6) contributions totaling \$19,350 that were received after the 20th day but more than 48 hours before the primary election.

8. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$5,000 contribution from the Realtors Political Action Committee on March 2, 1990. Respondents were required to file a 48-Hour Notice no later than March 4, 1990.

9. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$3,000 contribution from the American Medical PAC on March 9, 1990. Respondents were required to file a 48-Hour Notice no later than March 11, 1990.

10. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$1,000 contribution from the CRPPA Federal PAC on March 9, 1990. Respondents were required to file a 48-Hour Notice no later than March 11, 1990.

11. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$4,350 contribution from the National Education Assn. PAC on March 9, 1990. Respondents were required to file a 48-Hour Notice no later than March 11, 1990.

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12. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$1,000 contribution from the Texas Rice PAC on March 9, 1990. Respondents were required to file a 48-Hour Notice no later than March 11, 1990.

13. On the 1990 April Quarterly Report, respondents disclosed the receipt of a \$5,000 contribution from the UAW V CAP on March 9, 1990. Respondents were required to file a 48-Hour Notice no later than March 11, 1990.

14. None of the contributions listed in subparagraphs 7-13 above, were disclosed until the Committee filed its 1990 April Quarterly Report, which was not received by the Commission until April 12, 1990.

V. Respondents failed to file six (6) 48-Hour Notices in violation of 2 U.S.C. § 434(a)(6).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of two thousand one hundred thirty-five dollars (\$2,135), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel


BY:


Lois G. Lerner
Associate General Counsel

Date

1/18/91

FOR THE RESPONDENTS:


(Name) Everet Kennemer, III
(Position) Treasurer

Date

12-10-90

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3/7/

DATE FILMED 2/7/91 CAMERA NO. 4

CAMERAMAN AS

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